

Year-End Tax Planning Guide 2025

SMART STRATEGIES TO OPTIMISE YOUR
FINANCES BEFORE 6TH APRIL

Welcome to your essential year-end tax planning guide. With the tax year-end fast approaching, now is the time to take proactive steps to reduce liabilities, maximise allowances, and set yourself up for a strong financial future.

Pensions: Your Powerful Tax Shield

Pensions remain one of the most tax-efficient ways to save for the future. With changes to pension rules, you may now have more opportunities to contribute effectively.

WHY IT MATTERS

The Annual Allowance is currently up to £60,000, but it reduces for high earners with an adjusted income above £260,000. If you've not used your allowance from the past three years, you may be able to still carry it forward.

ACTIONABLES & TIPS

- ✓ Check your available allowances and consider topping up before 6 April.
 - ✓ Employer contributions are tax-efficient—consider adding more through your business.
 - ✓ If your income fluctuates, ensure you're not exceeding the Lifetime Allowance protections.
- ▶ Next Step: Connect with a Wealth Management adviser to make the most of your pension planning.

Maximise Your Tax-Free Allowances

Each tax year offers a range of tax-free allowances that reset on 6 April. Have you fully used yours?

WHY IT MATTERS

Many people leave tax allowances unused, missing out on key savings opportunities. With recent reductions to allowances, it's more important than ever to plan ahead.

ACTIONABLES & TIPS

- ✓ Use your Personal Allowance (£12,570) before the reset.
 - ✓ Dividend Allowance drops to £500—review how you take profits.
 - ✓ Utilise the 2024/25 Capital Gains Tax (CGT) allowance before the opportunity is lost.
- ▶ Next Step: Review your tax position with your Accountant before allowances reset.

Structuring Family Finances for Tax Efficiency

Planning tax efficiently as a household can unlock significant savings.

WHY IT MATTERS

Income can be structured in a way that utilises allowances and keeps tax rates lower across the family unit

ACTIONABLES & TIPS

- ✓ Use Marriage Allowance to transfer unused tax allowances to a lower-earning spouse.
- ✓ Set up Junior ISAs and pensions to benefit from long-term tax-free growth.
- ✓ Consider using Trusts to distribute family wealth tax-efficiently.

▶ Next Step: Speak to a Wealth Management adviser to explore family tax planning strategies.

Profit Extraction for Family Businesses

If you run a family company, how you take profits can significantly impact your tax efficiency.

WHY IT MATTERS

With changes to dividend taxation and rising corporation tax, your previous approach may no longer be optimal.

ACTIONABLES & TIPS

- ✓ Reassess your salary vs dividend split.
 - ✓ Consider pension contributions as part of your extraction strategy.
 - ✓ Explore tax benefits of moving to electric company cars.
- ▶ Next Step: Review your profit extraction strategy with your Accountant.

Unincorporated Businesses: Prepare for Major Change

From April 2024, basis period reform changes how profits are taxed for sole traders and partnerships.

WHY IT MATTERS

Your taxable profits may now be calculated differently, potentially leading to a higher one-off tax bill. Planning is crucial.

ACTIONABLES & TIPS

- ✓✓ Understand how the changes impact your business.
 - ✓ Assess whether you can spread tax payments to ease cash flow.
 - ✓ Review your working capital position to ensure financial resilience.
- ▶ Next Step: Book a consultation with your Accountant to prepare for these changes.

Tax-Efficient Investment Strategies

There are several investment options that provide tax relief—are you taking full advantage?

WHY IT MATTERS

Certain investments offer income tax relief, CGT relief, and inheritance tax benefits, making them valuable tools for tax-efficient wealth building.

ACTIONABLES & TIPS

- ✓ Maximise your ISA allowance (£20,000 per person) per tax year.
 - ✓ Consider Enterprise Investment Schemes (EIS) & Seed EIS for enhanced tax reliefs.
 - ✓ Venture Capital Trusts (VCTs) provide income tax relief and tax-free dividends.
- ▶ Next Step: Speak to a Wealth Management adviser for tax-efficient investment advice.

Capital Gains Tax: Strategic Planning for Disposals

If you're planning to sell assets, careful timing could reduce your tax liability.

WHY IT MATTERS

The CGT exemption is reducing, meaning more of your gains will be taxable.

ACTIONABLES & TIPS

- ✓ Use your £3,000 CGT exemption before it resets.
- ✓ Consider spousal transfers to maximise relief.
- ✓ Look at reinvestment options such as EIS or pensions for tax relief.

▶ Next Step: Consult your Accountant for CGT planning advice.

Gift Aid: Make Your Charitable Giving Work Harder

Donating to charity can provide tax relief, especially if structured efficiently.

WHY IT MATTERS

Gift Aid allows charities to reclaim tax on your donations, while higher-rate taxpayers can claim additional relief.

ACTIONABLES & TIPS

- ✓ Claim higher-rate tax relief through your self-assessment return.
 - ✓ Consider donating assets instead of cash for additional tax relief.
 - ✓ Carry back donations to reduce last year's tax bill.
- ▶ Next Step: Speak to your Accountant to maximise Gift Aid benefits.

Your Year-End Tax Planning Checklist

HAVE YOU USED YOUR AVAILABLE ALLOWANCES?

- ✓ Is your pension strategy optimised?
- ✓ Have you reviewed your business's tax efficiency?
- ✓ Are you prepared for the tax changes ahead?
- ✓ Have you planned for capital gains and investments?

▶ Final Step: Book your Year-End Tax Planning Review with your Accountant or Wealth Management adviser before 6th April.